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Environmental

The world achieved a major milestone in clean energy, with renewables accounting for a record-breaking 30% of global electricity production last year, up from less than 19% in 2000. According to the Global Electricity Review, this shift is driving a decline in fossil fuel use, with renewables and nuclear sources now making up almost 40% of global electricity. Solar, in particular, is rapidly expanding, outpacing coal as the fastest-growing electricity source for the 19th consecutive year. While challenges like drought-related drops in hydropower output persist, experts say that the growth of renewables offers hope for meeting global climate goals, provided the transition continues at a rapid pace.

The world's largest plant designed to remove carbon from the atmosphere, known as Climeworks' Mammoth, has begun operating in Iceland. Using direct air capture (DAC) technology, Mammoth is powered by Iceland's geothermal energy and aims to capture 36,000 tons of carbon annually. While DAC technology is gaining attention for its potential to combat climate change, critics remain concerned about its cost, energy consumption, and potential to distract from reducing fossil fuel use. Despite these concerns, Climeworks plans to scale up its carbon removal capacity significantly in the coming years.

Investing

The U.S. Department of Energy is offering up to \$500 million for projects to expand carbon dioxide (CO2) transportation infrastructure, supporting President Biden's goal of a net-zero emissions economy by mid-century.

The funding will help develop technology to safely transfer captured CO2 emissions from industrial operations and power generation. Projects will connect CO2 emitting sources to conversion sites or geologic storage facilities through pipelines, rail, trucks, barges, or ships.

The latest CEO Outlook Pulse Survey by EY indicates an uptick in the prioritization of sustainability by corporates, with 54% of global CEOs surveyed viewing sustainability issues as even more critical than they did 12 months ago. This compares to 28% of institutional investors surveyed who said the same. Most CEOs also agreed that coordinated and consistent government action is necessary to address climate change (76%), that sustainability issues will impact their ecosystem partners and supply chains (77%), and that their firms are at risk of stranded assets due to ESG factors (74%).

Regulation and Reporting

The European Council has delayed the adoption of both sector-specific reporting standards and reporting standards for large non-EU companies by two years – until June 2026. According to the Council, this will allow companies to prioritize implementing the first set of European Sustainability Reporting Standards (ESRS) while easing reporting obligations. Despite the postponement in issuing non-EU standards, the directive does not appear to

change the 2029 date for when covered non-EU large companies will need to begin reporting under the CSRD.

[The European Commission and EU consumer authorities have issued letters to 20 airlines identifying potentially misleading green claims, such as suggesting that paying additional fees for climate projects or sustainable fuels could offset CO2 emissions.](#) Other potentially problematic practices identified by the letter include providing carbon calculators or CO2 flight comparisons without sufficient information about how the calculations are based, as well as claiming that airlines are moving towards net-zero without verifiable commitments, targets, and monitoring. The authorities have asked the airlines to align their practices with EU consumer law within 30 days. If the airlines do not address the concerns, further enforcement actions, including sanctions, may be taken.

[The Hong Kong Monetary Authority \(HKMA\) has released its Taxonomy for Sustainable Finance, akin to the EU Taxonomy, categorizing economic activities by sustainability.](#) Covering 12 activities across four sectors (energy, transport, construction, and water and waste management), the taxonomy provides a common framework for sustainable finance, aiding informed decisions and global climate efforts. HKMA plans to expand the taxonomy to include more sectors and activities, enhancing its role in sustainable development.

[A UK High Court judge ruled in favor of three environmental groups finding that the government acted unlawfully in approving a plan to meet climate targets without sufficient evidence it could be achieved.](#) This was the second time in two years that the government's climate action plan was found insufficient. The judge sided with the environmental groups, criticizing the plan (which included pledges of cutting GHG by two-thirds and reaching net zero by 2050) for being vague, unquantified, and lacking in evidence to justify its approval.

[An Oklahoma County judge has temporarily halted the enforcement of the Oklahoma Energy Discrimination Act of 2022, which places banks and financial companies on a restricted list if they are determined to boycott energy companies.](#) The law, administered by the State Treasurer's office, generally prevents those listed financial institutions from doing business with the state. According to the Court, there is substantial likelihood that the law's purpose of countering a "political agenda" runs contrary to the purpose of the retirement system itself, which is required to act for the benefit of its members.

If former President Donald Trump were to win a second term, the Securities and Exchange Commission (SEC) under his administration would likely reverse the Commission's recently issued climate public company disclosure rules, according to sources familiar with the matter. Trump has also posted that he would reinstate his administration's Department of Labor rule making it more difficult for retirement plans to consider environmental, social, and governance factors.

Events & Membership

Finpublica is looking forward to hosting a virtual fireside chat on May 23rd (12pm ET) with the leaders of two organizations who recently received \$8 billion in funding from the EPA to promote clean energy locally throughout the United States. Join us as Aspen Finance Leader's Fellowship Executive Director [Erika Karp](#) sits down with [Harold Pettigrew](#) (CEO of Opportunity Finance Network) and [Tucker Bartlett](#) (Executive Vice President of Self-Help) for an engaging discussion on how the EPA's Greenhouse Gas Reduction Fund will support tens of thousands of climate and green energy projects across America – especially among low income and historically disadvantaged communities.

Finpublica has been invited to host a panel discussion at GreenFin 24 on How to Maintain Momentum on Diversity, Equity, and Inclusion. We hope you can join us in NYC (June 17-19) at this premier event that convenes more than 1,000 professionals across institutional investors, corporate finance and sustainability executives, financial institutions, and sustainable finance and investing policymakers.

Finpublica's [membership portal](#) is live. If you are interested in joining a community more than 350 finance leaders focused on sustainable finance and ways to implement initiatives inside their organizations and across the industry, we invite you to apply.

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